

# AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, October 8, 1997, at 9 a.m. in SR-328A to examine food safety issues and recent food safety legislation proposed by the U.S. Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet in executive session during the session of the Senate on Wednesday, October 8, 1997, to conduct a markup of the following nominees: Laura S. Unger, of New York, to be a Commissioner of the Securities and Exchange Commission; Paul R. Carey, of New York, to be a Commissioner of the Securities and Exchange Commission; Dennis Dollar, of Mississippi, to be a member of the National Credit Union Administration Board; Edward M. Gramlich, of Virginia, to be a member of the Board of Governors of the Federal Reserve; Roger Walton Ferguson, of Massachusetts, to be a member of the Board of Governors of the Federal Reserve; and Ellen Seidman, of the District of Columbia, to be a Director of Thrift Supervision.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet on Wednesday, October 8, 1997, at 9:30 a.m. on the nominations of George Black, James Hall, and John Hammerschmidt to be members of the National Transportation Safety Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet on Wednesday, October 8, 1997, immediately following the nomination hearing scheduled at 9:30 a.m. on pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. CHAFEE. Mr. President, the Finance Committee requests unanimous consent to hold a hearing on S. 1195, the "Promotion of Adoption, Safety, and Support for Abused and Neglected Children [PASS] Act" on Wednesday, October 8, 1997, beginning at 10 a.m. in SD-215 Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 8, 1997, at 10 a.m. and 2:15 p.m. to hold a hearing and a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. CHAFEE. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee Special Investigation to meet on Wednesday, October 8, at 10 a.m. for a hearing on campaign financing issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, October 8, 1997, at 9:30 a.m., in room 485 of the Russell Senate Building to conduct an oversight hearing on the Indian provisions contained in the tobacco settlement between the Attorneys General and the tobacco industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the Nomination of David Satcher to be Surgeon General and Assistant Secretary of HHS during the Session of the Senate on Wednesday, October 8, 1997, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, October 8, 1997, at 2:30 p.m., to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS, AND COMPETITION

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Business Rights, and Competition, of the Senate Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, October 8, 1997, at 2 p.m., to hold a hearing in room 226, Senate Dirksen Building, on: "Competition in the cable and video markets."

The PRESIDING OFFICER. Without objection, it is so ordered.

# ADDITIONAL STATEMENTS

## SECURITIES LITIGATION REFORM STANDARDS ACT

● Mr. DOMENICI. Mr. President, I am pleased to cosponsor S. 1260, the Securities Litigation Uniform Standards Act of 1997 that was introduced yesterday by Senator GRAMM, DODD, and myself. We were joined by a significant number of the Banking Committee members.

After an extensive series of hearings which established a pattern of widespread abuse of the securities laws by class action lawyers, the Congress, in 1995, passed a major overhaul of the class action rules for frivolous securities litigation. The law is also designed to increase the flow of information to investors.

The Act will be 2 years old at the end of the year. With benefit of these 2 years of experience there is evidence that plaintiffs' lawyers have simply moved their frivolous cases to State court to avoid the new Federal reforms.

A study by Stanford Law School professors Joseph Grunfest and Michael Perino found that since the passage of the Federal reforms in 1995, about 26 percent of class action litigation activity has moved from Federal courts to State courts—an unprecedented shift.

The Stanford study concluded that this shift to State court is calculated to "avoid the substantive or procedural provisions of the 1995 reform act—the very provision that deter abusive lawsuits."

Under State law, plaintiff's lawyers still can engage in practices that were prohibited by Congress in 1995.

State courts still allow "boilerplate" complaints; fishing expeditions in the name of discovery even before the plaintiffs' lawyers establish that they have the barest of facts to support their case.

State courts still allow pet plaintiffs. This is the perverse practice by which the lawyer hires the client, not the more customary arrangement under which a client hires the lawyer.

State courts still allow lawsuits simply if the price of the stock drops. Congress decided in 1995 that stock volatility is not stock fraud.

State courts still allow lawsuits if a prediction about the future of the company doesn't come true—even when the statement is accompanied with appropriate warnings that the prediction may not come true and that it is a prediction.

The lack of safe harbors for predictions about the company's future muzzle CEO's and chill the flow of information.

Corporate disclosures reduce the volatility of share prices and increase the liquidity of stock. Yet, State courts do not have safe harbors for predictions as a result, the information flow to investors is limited because State lawsuits are undermining the "safe harbors" that were crafted in the 1995 Act.